



*United States Attorney  
Southern District of New York*

FOR IMMEDIATE RELEASE  
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**U.S. ACCUSES PURPORTED INVENTOR OF TRAFFIC  
MESSAGING SYSTEM OF DEFRAUDING 1,000 INVESTORS**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, announced that HAROLD B. WEST, a self-described inventor, was indicted by a federal grand jury in Manhattan today on charges stemming from an alleged scheme to defraud approximately 1,000 investors who purchased an interest in WEST's patented traffic messaging system.

According to the Indictment, WEST claimed to be the owner of the Traffic Light Message Center (the "TLMC"), which purported to be a patented program that electronically linked a message board with a traffic light, enabling drivers to read advertising and safety messages when stopped at red lights. One such device had been operating in Temple, California.

According to the Indictment, as part of the scheme, WEST sold interests in his percentage ownership of the patented program, with investors paying between approximately \$4,000 and

\$5,000 for each percentage point of his interest in the TLMC. The Indictment charges that from about December 1998 to January 2003, WEST oversold his interest in the TLMC by approximately 1,000 percent. The Indictment alleges that WEST earned more than \$8 million from the sale of percentage points in his interest in the TLMC.

The Indictment further charges that in addition to overselling his interest in the TLMC, WEST misrepresented to investors that the funds used to purchase interests in the TLMC were to be used as start-up and development capital. According to the Indictment, rather than spend investors' money on the stated purposes, WEST misappropriated the funds, spending the majority of the money on personal expenses, including gambling junkets, clothing, entertainment and travel.

If convicted of the charges in the Indictment, WEST faces a maximum sentence of 10 years in prison on the securities fraud count and 5 years in prison on each of the two wire fraud counts.

Mr. COMEY thanked the U.S. Postal Inspection Service, the San Luis Obispo office of the Internal Revenue Service and the San Luis Obispo Police Department for their assistance in this case.

WEST, 53, is a resident of San Luis Obispo, California. WEST is presently free on a \$125,000 bond secured by the house in

which he lives.

Assistant United States Attorney STEVEN G. KOBRE is in charge of the prosecution.

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